

AMENDED IN ASSEMBLY MAY 12, 2009

AMENDED IN ASSEMBLY APRIL 21, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 802

Introduced by Assembly Member Duvall

February 26, 2009

An act to amend ~~Sections 1873 and 1874.1~~ *Section 1873* of the Insurance Code, relating to insurance information.

LEGISLATIVE COUNSEL'S DIGEST

AB 802, as amended, Duvall. Insurance fraud: release of information: other unlawful activity.

Existing law requires an insurer, or agent authorized by that insurer to act on behalf of the insurer, upon written request, to release to a requesting officer of an authorized governmental agency, as defined, any or all relevant information deemed important to the authorized governmental agency that the insurer may possess relating to any specific insurance fraud.

This bill would also require the insurer, or agent authorized by that insurer to act on behalf of the insurer, to release to the authorized governmental agency any or all relevant information deemed important to the authorized governmental agency that the insurer may possess relating to any other unlawful activity ~~recovered~~ *uncovered* in the course of an insurance fraud investigation. ~~This bill would state that the Bureau of Automotive Repair, the Medical Board of California, and the State Bar of California are included as authorized governmental agencies, as specified.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1873 of the Insurance Code is amended
2 to read:

3 1873. (a) Upon written request to an insurer by officers
4 designated in subdivisions (a) and (b) of Section 830.1 and
5 subdivision (a) of Section 830.2, and subdivisions (a), (c), and (i)
6 of Section 830.3 of the Penal Code, an insurer, or agent authorized
7 by that insurer to act on behalf of the insurer, shall release to the
8 requesting authorized governmental agency any or all relevant
9 information deemed important to the authorized governmental
10 agency that the insurer may possess relating to any specific
11 insurance fraud or any other unlawful activity ~~recovered~~ *uncovered*
12 in the course of an insurance fraud investigation. Relevant
13 information may include, but is not limited to, all of the following:

14 (1) Insurance policy information relevant to the insurance fraud
15 under investigation, including, but not limited to, any application
16 for a policy.

17 (2) Policy premium payment records that are available.

18 (3) History of previous claims made by the insured.

19 (4) Information relating to the investigation of the insurance
20 fraud, including statements of any person, proof of loss, and notice
21 of loss.

22 (5) Complete copies of both sides of payment drafts.

23 (6) *Information about an illegal activity not related to insurance*
24 *fraud that is uncovered when investigating an allegation of*
25 *insurance fraud.*

26 (b) The provisions of subdivision (a) shall not operate to
27 authorize disclosure of medical information not otherwise
28 authorized for disclosure pursuant to law.

29 ~~SEC. 2. Section 1874.1 of the Insurance Code is amended to~~
30 ~~read:~~

31 ~~1874.1. The following definitions govern the construction of~~
32 ~~this article, unless the context requires otherwise:~~

33 (a) ~~“Authorized governmental agency” means the Department~~
34 ~~of the California Highway Patrol, the Department of Insurance,~~
35 ~~the Department of Justice, the Department of Motor Vehicles, the~~

1 police department of a city, or a city and county, the sheriff's office
2 or department of a county, a law enforcement agency of the federal
3 government, the district attorney of any county, or city and county,
4 and any licensing agency governed by the Business and Professions
5 Code, including the Bureau of Automotive Repair, the Medical
6 Board of California, and the State Bar of California, or the
7 Chiropractic Initiative Act.

8 (b) "Relevant" means having a tendency to make the existence
9 of any fact that is of consequence to the investigation or
10 determination of an issue more probable or less probable than it
11 would be without the information.

12 (c) Information shall be deemed important if, within the sole
13 discretion of the authorized governmental agency, that information
14 is requested by that authorized governmental agency.

15 (d) "Insurer" means the automobile assigned risk plan
16 established pursuant to Section 11620 of the Insurance Code, as
17 well as any insurer writing insurance for motor vehicles or
18 otherwise liable for any loss due to motor vehicle theft or motor
19 vehicle insurance fraud.

20 (e) "Motor vehicle" means motor vehicle as defined in Section
21 415 of the Vehicle Code.